Fixing the prices of medicines

3748. SHRI BHUBANKSWAR KALITA : Will the PRIME MINISTER be pleased to state :

(a) whether Government fixed prices of medicines based on reports of BICP;

(b) what is the authenticity of price data which is taken into account by BICP of drug intermediates imposed for arriving at a fair price of medicines ;

(c) whether Government are aware that the inflated imposed prices of drug intermediates and drugs lead to uninten ded profits by drugs companies ; and

(d) if so, what steps Government have taken to make officers accountable.

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) (a) The prices of bulk drugs are fixed by this Ministry on the basis of Cost-cum-technical studies conducted by BICP and their detailed examination in this Ministry. The BICP reports are inputs for the decision making process of prios fixation and where considered necessaiy clarification on the cost-cum-technical study are sought from BICP before fixing the prices.

(b) to (d) The Drug intermediates used for manufacutre of bulk drugs are either indigenously produced or imported and in the case of former the latest purchase invoices are adopted after verification and in the case of latter the latest invoice prices duly supported by bill of entry bank payment advice, clearing charges etc. are adopted after verification by BICP. The BICP has no means to check whether an invoice contains any inflated imposed price of a drug intermediate. Nevertheless the figures are checked by BICP during finalisation of the Reports. In the Case of formulations, bulk durgs prices based on notified price/purchase invoices are verified with reference to the certified s atement of Professional Accountants along with supporting data furnished with the application. For imported bulk drugs, the latest annual DGHS weighted average import price data suitably adjusted for fluctuation inexchange rate is adopted. These procedures reflects the care and caution required in the matter of recommending prices.

Date of import of bulk drugs and its intermediates

3749. SHRIMATI BASANTI SARMA : SHRI BHUBANESWAR KALITA :

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that data relating to import of Bulk Drugs and its intermediates are collected from the various ports and used and furnished by the Drugs Controller of India at the meetings of Drug Price Review Committees in the BICP;

(b) if so, whether it is also fact that prices of several formulations have been worked out based on the highest import price instead of the average price at the instance of the representative of Government leading to over-invoicing and flight of foreign exchange from the country;

(c) whether the representative of Government have submitted a report of such decision;

(d) if so, the details tkereof during the last two years;

(e) if not, the reasons therefor; and

(f) the steps taken to make available import data to public?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) Yes, Sir.

(b) to (f) No, Sir. The decision to adopt the import price of a bulk drug rests with the. DPRC Sub-Committee which takes into account various factors including the quality/specifications of the imported material which is important from the angle of maintaining the quality of medicines.

Clearance of New Drugs

3750. SHRIMATI BASANTI SARMA: SHRI BHUBANESWAR KALITA:

Will the PRIME MINISTER be pleasd to state:

(a) whether it is a fact that clearance of new drugs have led to all around corruption in the office of Drug Controller of India;

(b) whether it is also a fact that clinical trial reports submitted by com-